

## CHAPTER 51

### REGULATION OF GAS AND ELECTRIC UTILITIES — AUTHORITY OF IOWA UTILITIES BOARD OVER CERTAIN ENTITIES

H.F. 599

**AN ACT** relating to the regulation of specified gas and electric utilities.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. [Section 476.1A](#), Code 2023, is amended to read as follows:

**476.1A Applicability of authority — certain electric utilities.**

1. Electric public utilities having fewer than ten thousand customers and electric cooperative corporations and associations are not subject to the regulation authority of the board, except for regulatory action pertaining to all of the following:

- a. Assessment of fees for the support of the division and the office of consumer advocate, pursuant to [section 476.10](#).
- b. ~~Safety standards and engineering standards for equipment, operations, and procedures.~~
- c. Assigned ~~area~~ areas of service, as set forth in [sections 476.22 through 476.26](#).
- d. ~~Pilot projects of the board~~ Public utility railroad crossings, as set forth in [476.27](#).
- e. Filing alternate energy purchase program plans with the board, and offering such programs to customers, pursuant to [section 476.47](#).

2. However, [sections 476.20](#), [subsections 1 through 4](#), [476.21](#), [476.51](#), [476.56](#), [476.58](#), [476.62](#), and [476.66](#) and [chapters 476A](#) and [478](#), to the extent applicable, apply to such electric utilities.

3. Electric cooperative corporations and associations and electric public utilities exempt from rate regulation under [this section](#) shall not make or grant any unreasonable preferences or advantages as to rates or services to any person or subject any person to any unreasonable prejudice or disadvantage.

4. The board of directors or the membership of an electric cooperative corporation or association otherwise exempt from rate regulation may elect to have the cooperative's rates regulated by the board. The board shall adopt rules prescribing the manner in which the board of directors or the membership of an electric cooperative may so elect. If the board of directors or the membership of an electric cooperative has elected to have the cooperative's rates regulated by the board, after two years have elapsed from the effective date of such election the board of directors or the membership of the electric cooperative may elect to exempt the cooperative from the rate regulation authority of the board, provided, however, that if the membership elected to have the cooperative's rates regulated by the board, only the membership may elect to exempt the cooperative from the rate regulation authority of the board.

5. An electric utility subject to regulatory action pursuant to [this section](#) is subject to complaints and investigations as set forth in [section 476.3](#), but only with regard to matters within the regulatory authority of the board as set forth in [subsections 1 and 2](#).

6. As used in [this section](#):

a. "Engineering standards" means standards adopted by the American national standards institute, or the institute of electrical and electronics engineers, rural utilities service, or comparable engineering organization or engineering standards adopted by the board.

b. "Rates" means the same as defined in [section 384.80](#) and includes all charges or fees imposed or collected for the provision of or incidental to utility service.

c. "Safety standards" means applicable regulations promulgated by the United States occupational safety and health administration and by Iowa occupational safety and health by the administration. Safety standards for electric utilities subject to [this section](#) also include outage notifications, safety standards contained in the national electric safety code, as published by the institute of electrical and electronic engineers, inc., and electric safety standards approved by the American national standards institute.

Sec. 2. [Section 476.1B](#), Code 2023, is amended to read as follows:

**476.1B Applicability of authority — municipally owned utilities.**

1. ~~Unless otherwise specifically provided by statute, a~~ A municipally owned utility furnishing gas or electricity is not subject to ~~the regulation by authority of the board under this chapter~~, except for regulatory action pertaining to the following:

a. Assessment of fees for the support of the division and the office of consumer advocate, as set forth in [section 476.10](#).

b. Safety standards.

c. Assigned areas of service, as set forth in [sections 476.22 through 476.26](#).

d. Enforcement of civil penalties pursuant to [section 476.51](#).

e. Disconnection of service, as set forth in [section 476.20, subsections 1 through 4](#).

~~f. Encouragement of alternate energy production facilities, as set forth in sections 476.41 through 476.45.~~

~~g. Enforcement of section 476.56.~~

~~h. Enforcement of section 476.66.~~

~~i. Enforcement of section 476.62.~~

d. Public utility railroad crossings, as set forth in [section 476.27](#).

~~j. e.~~ An electric power agency as defined in [chapter 28F](#) and [section 390.9](#) that includes as a member a city or municipally owned utility that builds transmission facilities after July 1, 2001, is subject to applicable transmission reliability rules or standards adopted by the board for those facilities.

~~k. f.~~ Filing alternate energy purchase program plans with the board, and offering such programs to customers, pursuant to [section 476.47](#).

2. ~~The board may waive all or part of the energy efficiency filing and review requirements for municipally owned utilities which demonstrate superior results with existing energy efficiency efforts Sections 476.20, subsections 1 through 4, 476.51, 476.56, 476.58, 476.62, and 476.66 and chapters 476A and 478, to the extent applicable, apply to such electric and gas utilities.~~

3. ~~Unless otherwise specifically provided by statute, a~~ A municipally owned utility providing local exchange services is not subject to the regulation by authority of the board under ~~this chapter~~ except for regulatory action pertaining to the enforcement of [sections 476.10, 476.95, 476.95A, 476.95B, 476.100, and 476.102, and 476.103](#).

4. An electric utility subject to regulatory action pursuant to [this section](#) is subject to complaints and investigations as set forth in [section 476.3](#), but only with regard to matters within the regulatory authority of the board as set forth in [subsections 1 and 2](#).

Sec. 3. [Section 476.20, subsection 3](#), paragraph a, Code 2023, is amended to read as follows:

a. The board shall ~~establish~~ adopt rules which shall be uniform with respect to all ~~rate-regulated~~ public utilities furnishing gas or electricity relating to disconnection of service. The board shall adopt rules with respect to electric and gas utilities subject to [sections 476.1A and 476.1B](#) that prescribe the procedures and notice requirements for the disconnection of service consistent with the rules for rate-regulated public utilities, but such rules shall not regulate the rates of such utilities. [This subsection](#) applies both to regulated rate-regulated utilities, utilities subject to regulation under [sections 476.1A and 476.1B](#), and to municipally owned utilities and unincorporated villages which own their own distribution systems, and violations. Violations of [this subsection](#) may subject the utilities a utility to civil penalties under [section 476.51](#).

Sec. 4. [Section 476.20, subsection 5](#), paragraph a, unnumbered paragraph 1, Code 2023, is amended to read as follows:

The board shall establish rules which shall be uniform with respect to all ~~rate-regulated~~ public utilities furnishing gas or electricity relating to deposits which may be required by the public utility for the initiation or reinstatement of service. [This subsection](#) shall not apply to utilities subject to [section 476.1A](#), or to municipally owned utilities, which shall be governed by the provisions of [section 384.84](#) with respect to deposits and payment plans for delinquent amounts owed. Municipally owned utilities and electric utilities that are not required to be rate-regulated utilities subject to [section 476.1A](#) shall not be subject to the board's rules in regards ~~regard~~ to deposits, rates and charges for the disconnection or reinstatement of

service, and payment plans for delinquent amounts owed and repayment of past due debt. Municipally owned utilities and ~~electric utilities that are not required to be rate-regulated~~ utilities subject to [section 476.1A](#) shall be subject to the board's rules in regards to payment plans made prior to the disconnection of services.

Sec. 5. [Section 592.9](#), Code 2023, is amended to read as follows:

**592.9 City ~~waterworks~~ utilities and utility boards.**

All proceedings taken prior to ~~January 1, 1961~~ the effective date of this Act purporting to provide for the establishment, organization, formation, operation, or maintenance of a city ~~waterworks~~ utility or utility board and not previously declared invalid by any court, are legalized, validated and confirmed. All such proceedings are declared to be legally sufficient to create, establish and authorize the maintenance and operation of a city ~~waterworks~~ as a city utility, as defined in [section 362.2, subsection 6](#).

Approved April 28, 2023